

108TH CONGRESS  
1ST SESSION

# S. 863

To amend the Higher Education Act of 1965 to allow soldiers to serve their country without being disadvantaged financially by Federal student aid programs.

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## IN THE SENATE OF THE UNITED STATES

APRIL 10, 2003

Mr. EDWARDS (for himself, Mr. MILLER, Mr. BINGAMAN, Ms. MIKULSKI, and Mrs. MURRAY) introduced the following bill; which was read twice and referred to the Committee on Health, Education, Labor, and Pensions

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## A BILL

To amend the Higher Education Act of 1965 to allow soldiers to serve their country without being disadvantaged financially by Federal student aid programs.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Fairness for America’s  
5       Soldiers in Higher Education Act of 2003”.

6       **SEC. 2. REFUND POLICY.**

7       Section 484B(b)(2) of the Higher Education Act of  
8       1965 (20 U.S.C. 1091b(b)(2)) is amended by adding at  
9       the end the following:

1           “(D) STUDENTS ON ACTIVE DUTY DURING  
 2           A WAR OR NATIONAL EMERGENCY.—Notwith-  
 3           standing subparagraphs (A), (B), and (C), a  
 4           student who withdraws from an institution of  
 5           higher education to serve on active duty during  
 6           a war or national emergency shall not be re-  
 7           quired to repay any grant assistance that is  
 8           otherwise required to be repayed under this sec-  
 9           tion.”.

10 **SEC. 3. DEFERMENT DURING ACTIVE DUTY.**

11           (a) FFEL AND DIRECT SUBSIDIZED LOANS.—Sec-  
 12           tion 428(b)(1)(M) of the Higher Education Act of 1965  
 13           (20 U.S.C. 1078(b)(1)(M)) is amended—

14           (1) in clause (ii), by striking “or” after the  
 15           semicolon;

16           (2) in clause (iii), by inserting “or” after the  
 17           semicolon; and

18           (3) by inserting after clause (iii) the following:

19                           “(iv) during which the borrower—

20   “(I) is a member of a regular  
 21   component on active duty during a  
 22   war or during a national emergency  
 23   declared by the President or Congress,  
 24   and receives compensation described

1 in section 112(a) of the Internal Rev-  
2 enue Code of 1986;

3 “(II) is on active duty under sec-  
4 tion 688, 12301(a), 12301(d),  
5 12301(g), 12302, 12304, 12306,  
6 12307, or 12406, or chapter 15 of  
7 title 10, United States Code, or any  
8 other provision of law, during a war  
9 or during a national emergency de-  
10 clared by the President or Congress,  
11 regardless of the location at which  
12 such active duty service is performed;  
13 or

14 “(III) in the case of a member of  
15 the National Guard, is on full-time  
16 National Guard duty (as defined in  
17 section 101(d)(5) of title 10, United  
18 States Code) under a call to active  
19 service authorized by the President or  
20 the Secretary of Defense for a period  
21 of more than 30 consecutive days  
22 under section 12402 of title 10,  
23 United States Code, or section 502(f)  
24 of title 32, United States Code, for  
25 purposes of responding to a national

1 emergency declared by the President  
 2 and supported by Federal funds.”.

3 (b) CONSOLIDATION LOANS.—Section  
 4 428C(b)(4)(C)(ii) of the Higher Education Act of 1965  
 5 (20 U.S.C. 1078–3(b)(4)(C)(ii)) is amended—

6 (1) in subclause (II), by striking “or” after the  
 7 semicolon;

8 (2) in subclause (III), by striking “or (II)” and  
 9 inserting “, (II) or (III)”;

10 (3) by redesignating subclause (III) (as so  
 11 amended) as subclause (IV); and

12 (4) by inserting after subclause (II) the fol-  
 13 lowing:

14 “(III) by the Secretary, in the case of a  
 15 consolidation loan of a student who is on an ac-  
 16 tive duty deferment under section  
 17 428(b)(1)(M)(iv); or”.

18 (c) FFEL AND DIRECT UNSUBSIDIZED LOANS.—  
 19 Section 428H(e) of the Higher Education Act of 1965 (20  
 20 U.S.C. 1078–8(e)) is amended by adding at the end the  
 21 following:

22 “(C) Notwithstanding subparagraph (A), inter-  
 23 est on loans made under this section for which pay-  
 24 ments of principal are deferred because the student

1 is on an active duty deferment under section  
 2 428(b)(1)(M)(iv) shall be paid by the Secretary.”.

3 (d) PERKINS LOANS.—Section 464(c)(2)(A) of the  
 4 Higher Education Act of 1965 (20 U.S.C.  
 5 1087dd(c)(2)(A)) is amended—

6 (1) in clause (iii), by striking “or” after the  
 7 semicolon;

8 (2) in clause (iv), by inserting “or” after the  
 9 semicolon; and

10 (3) by inserting after clause (iv) the following:

11 “(v) during which the borrower—

12 “(I) is a member of a regular  
 13 component on active duty during a  
 14 war or during a national emergency  
 15 declared by the President or Congress,  
 16 and receives compensation described  
 17 in section 112(a) of the Internal Rev-  
 18 enue Code of 1986;

19 “(II) is on active duty under sec-  
 20 tion 688, 12301(a), 12301(d),  
 21 12301(g), 12302, 12304, 12306,  
 22 12307, or 12406, or chapter 15 of  
 23 title 10, United States Code, or any  
 24 other provision of law, during a war  
 25 or during a national emergency de-

1           clared by the President or Congress,  
 2           regardless of the location at which  
 3           such active duty service is performed;  
 4           or

5                   “(III) in the case of a member of  
 6           the National Guard, is on full-time  
 7           National Guard duty (as defined in  
 8           section 101(d)(5) of title 10, United  
 9           States Code) under a call to active  
 10          service authorized by the President or  
 11          the Secretary of Defense for a period  
 12          of more than 30 consecutive days  
 13          under section 12402 of title 10,  
 14          United States Code, or section 502(f)  
 15          of title 32, United States Code, for  
 16          purposes of responding to a national  
 17          emergency declared by the President  
 18          and supported by Federal funds.”.

19          (e) EFFECTIVE DATE.—The amendments made by  
 20          this section shall apply with respect to loans for which the  
 21          first disbursement is made on or after July 1, 1993, to  
 22          an individual who is a new borrower (within the meaning  
 23          of section 103 of the Higher Education Act of 1965 (20  
 24          U.S.C. 1003)) on or after such date.

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